



HOPE VI PROGRAM AUTHORITY AND FUNDING HISTORY

HOPE VI was a direct result of the report of the National Commission on Severely Distressed Public Housing, submitted to Congress on August 10, 1992. In their "NATIONAL ACTION PLAN," the Commission determined that about 6 percent of the 1.4 million existing public housing dwellings (about 86,000 units) was in "severely distressed" condition, and recommended that this small portion of the total inventory be eradicated by the year 2000. The Commission estimated the cost of removing and replacing the 86,000 units at \$7.5 billion in 1992 dollars, and recommended that Congress fund a 10-year program at approximately \$750 million per year.

Congress responded immediately to the Commission's report, and on October 6, 1992, appropriated the first \$300 million for what was originally called the "Urban Revitalization Demonstration" and which is now known as HOPE VI. Whereas most programs are both authorized and appropriated by Congress, HOPE VI has operated through appropriations only. Accordingly, HUD administered those grants not by program regulation but by each Fiscal Year's Notice of Funding Availability (NOFA), as published in the Federal Register, and the Grant Agreement executed between each recipient and HUD.

HOPE VI was authorized for the first time in FY 1999, when the Quality Housing and Work Responsibility Act of 1998 (Public Housing Reform Act) amended section 24 of the 1937 Act. Most of the provisions of the Public Housing Reform Act were incorporated into the FY 1999 NOFA, and the FY 2000 fully incorporated the provisions of the authorization.

HOPE VI GRANT FUNDING

	DOLLAR AMOUNT	NUMBER OF GRANTS
Planning	\$ 14,752,081	35
Revitalization	4,055,001,235	149
Demolition-Only	218,344,094	134
TOTAL	\$4,288,097,410	318

The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Pub.L. 102-389) (the 1993 Appropriations Act) made \$300 million available for Planning and Implementation grants to PHAs in the 40 most populous cities in the U.S., or in any city whose PHA was on HUD's current troubled housing authority list. A NOFA was published on January 4, 1993 and revised and restated on March 29, 1993. On May 4, 1993 the deadline was extended to May 26, 1993. 41 applications were received by HUD: 31 requested \$1,211,209,603 for Implementation and 10 requested \$4,465,472 for Planning. On August 26, 1993, 2 Planning and 6 Implementation applications received full funding and 7 Implementation applications received partial funding.

The FY 1994 Appropriations Act (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1994, Pub.L. 103-124, approved on October 28, 1993) provided an additional \$778.24 for HOPE VI. Of that amount, \$2.5 million was allocated for technical assistance, and \$20 million was allocated for the Youthbuild program, leaving \$755.74 million available to fund new HOPE VI grants. The appropriation required that all FY 1994 funds be used to be made available only to fund applications submitted for the FY 1993 competition. On November 19, 1993, the 7 partially-funded applications from FY 1993 were fully funded, and 6 new Planning and 13 new Implementation grants were fully funded from the FY 1994 appropriation. A total of 13 Implementation grants totalling \$543,836,418 and 2 Planning grants totalling \$1 million were awarded as FY 1993 grants. 13 Implementation grants totalling \$507,838,089 and 6 Planning grants totalling \$2,725,472 were awarded as FY 1994 grants. 34 grants totalling \$1,055,399,979 were awarded in FY 1993 and FY 1994.

FY 1995

The FY 1995 Appropriations Act (Public Law 103-327, approved September 28, 1994) provided \$500 million for HOPE VI. Of that amount, \$2.5 million was allocated for technical assistance, leaving \$497.5 available for HOPE VI Planning and Implementation grants. In all, 40 grants totalling \$496,877,472 were awarded in FY 1995.

First Round Implementation Grants

A letter from HUD dated January 9, 1995 invited the 8 Planning grantees from FY 1993 and 1994 to apply for Implementation grants. Those first round Implementation grants, totalling \$349,999,018, were awarded on January 19, 1995.

Planning Grants

A letter from HUD dated February 3, 1995 invited all eligible PHAs to apply for new Planning and Implementation grants. Applications for Planning grants were due to HUD on February 28, 1995. On May 22, 1995, \$10,726,609 was awarded on a non-competitive basis to 27 PHAs for Planning grants of \$400,000 apiece.

Second Round Implementation Grants

Applications for Implementation grants were due to HUD on April 17, 1995. Six finalists were invited to submit revised submissions by August 30, 1995. On September 28, 1996, 5 PHAs were awarded second round Implementation grants totalling \$103,257,000.

Amendment Funds

In addition, \$32,894,845 in amendment funds were awarded to 10 current grantees. Of this amount, \$1 million was awarded to each of 5 Implementation Grantees on May 24, 1995 to implement Campus of Learners programs.

FY 1996

The FY 1996 Appropriations Act (The Omnibus Consolidated Rescissions and Appropriation Act of 1996, Pub.L. 104-134, approved April 26, 1996) allocated \$480 million for HOPE VI. Of that amount, \$3,216,000 was allocated for technical assistance, leaving \$476,784,000 available for HOPE VI grants. A NOFA was issued on July 22, 1996. 138 applications were received on the September 10, 1996 due date. 44 grants totalling \$476,784,000 were awarded on October 8, 1996.

Implementation

20 grants totalling \$403,313,070 were awarded for the demolition of 9,007 units of obsolete public housing and the revitalization of 9,051 new or rehabilitated mixed-income units.

Demolition

24 grants totalling \$73,470,930 were awarded for the demolition of obsolete public housing units. These HOPE VI grants were contingent on the approval of demolition applications that were submitted with the HOPE VI applications. Two of the demolition applications were not subsequently approved, and the two corresponding HOPE VI Demolition grants were recaptured, leaving a total of 22 grants that funded the demolition of 7,588 units. The final amount awarded after the recapture of the two grants and a reduction in another was \$69,571,850.

FY 1997

The FY 1997 Appropriations Act (The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub.L. 104-204, approved September 26, 1996) allocated \$550 million under the heading "Revitalization of Severely Distressed Public Housing." \$2.5 million was allocated for Technical Assistance. The total amount awarded for HOPE VI grants in FY 1997 was \$498,310,108.

Revitalization

The NOFA announcing HOPE VI Revitalization funding was published on April 14, 1997, and 127 applications requesting over \$2 billion were received on the July 18, 1997 due date. 23 Revitalization grants were awarded on October 3 (Florida grants) and October 10, 1997, totalling \$497,355,108.

Demolition-only

The NOFA announcing the \$30 million in Demolition-only funding was published on June 3, 1997, and a clarification was published on July 31. 21 applications requesting \$2.5 million were received on the August 4 due date. The four Demolition-only grants awarded on October 10, totalled \$955,000 and funded the demolition of 191 units of obsolete public housing

FY 1998

The FY 1998 Appropriations Act (The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1998, Pub.L. 105-65, approved October 27, 1997) allocated \$550 million under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)." \$10 million was allocated for technical assistance and contract expertise. The appropriation also allocated \$26,000,000, including up to \$10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and the revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly.

Revitalization

The HOPE VI NOFA was published on March 31, 1998, in tandem with the first of three SuperNOFAs issued by the Department in FY 1998. 101 applications requesting \$1.9 billion were received by the June 29, 1998 due date. 20 HOPE VI Revitalization grants were announced on August 24, 1998, totalling \$507 million.

Elderly Revitalization

\$26 million was announced in the Revitalization NOFA for grants to revitalize elderly developments. Although 8 applications requesting \$32,805,961 were received, none were awarded. Two did not meet threshold, and the others did not propose demolition. HUD interpreted the statutory language to require demolition as a component of elderly housing revitalization.

The FY 1999 HOPE VI appropriation included a clarification from Congress that demolition was not required for HOPE VI Elderly Revitalization grants, and directed HUD to review applications without regard to any proposed demolition. HUD did so, and on February 3, 1999, awarded five Elderly Revitalization grants totalling \$21,135,722.

The FY 1998 appropriation had earmarked \$10 million for the Heritage House development in Kansas City. The project had already been funded for \$6,570,500 from FY 1997 HOPE VI funds. The additional \$3,429,500 was awarded from the FY 1998 Elderly setaside in July 1999.

Demolition-only

Approximately \$60 million was announced in a separate NOFA published on March 31, 1998. Funds were to be distributed on a first-come, first-served basis, with each application assigned an Ordinal corresponding to the date received. The NOFA categorized eligible applicants into three Priority Groups.

The application deadline was September 3, 1998. 74 applications requesting \$101.9 million were received. 19 qualified in Priority Group 1, 16 in Priority Group 2, and 22 in Priority Group 3. 15 other applications were deemed ineligible. On November 24, 1998, \$57,426,656 was awarded to 32 housing authorities for 50 grants. All of the eligible applications in Priorities 1 and 2 were funded, and all but the last 7 applications in Priority 3 were funded. The grant funds were earmarked for the demolition of approximately 11,100 units of severely distressed public housing.

FY 1999

On October 21, 1998, the Appropriations Act for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, 1999 was signed into law. The funding for HOPE VI Revitalization and Demolition grants was provided under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)." A total of \$625 million was appropriated for HOPE VI, including amounts for Revitalization grants, Demolition grants, technical assistance, and section 8.

Attached to the Appropriations Act was the Quality Housing and Work Responsibility Act of 1998 (Public Housing Reform Act) (Pub.L. 105-276, 112 Stat. 2461. Section 535 of the Public Housing Reform Act amended section 24 of the 1937 Act, creating an authorization of the HOPE VI Program.

A NOFA announcing the availability of \$583,050,000 (\$523,050,000 for Revitalization grants and \$60 million for Demolition grants) was published as part of HUD's SuperNOFA on February 26, 1999. The NOFA implemented the requirements of section 24 that Congress specified to be for immediate effect.

Revitalization

80 applications for Revitalization grants requesting \$1.78 billion were received by the May 27, 1999 deadline. 21 grants totalling \$571,287,001 were awarded in September 1999. The grants will allow housing authorities to demolish 9,815 units of severely distressed public housing, rehabilitate 408 units, and create 3,720 new units of public housing and 1,359 units of homeownership housing.

Demolition

The original deadline of May 6, 1999 was extended to July 29, 1999 in a Notice published in the Federal Register on April 27. The reason for the extension was that the Housing Reform Act required that in order for a demolition application to be approved after October 28, 1999, the effective date of the law, a PHA must have "specifically authorized the demolition or disposition in the public housing agency plan. . ." Prior to the submission of a PHA Plan, which is due in the year 2000, a PHA was given the option of submitting an Interim Plan for Demolition. The regulation also requires that a PHA hold a public meeting on the PHA Plan or Interim Demolition Plan to obtain public comment. The public must be notified no later than 45 days prior to the hearing that the public meeting is to take place. Because of the extended time required to prepare an Interim Plan, hold a public hearing and obtain HUD Field Office approval of the Plan, it was determined that a PHA would not have sufficient time to get a new demolition application approved given the original due date.

52 applications requesting \$64,878,987 were received by the July 29 deadline. Although the funds were announced to be distributed on a first-come, first-served basis by Priority Group, all 32 eligible applications were funded at a total of \$40,738,389. The grants will enable 27 housing authorities to demolish 6,788 units of severely distressed public housing. Of the remainder, \$18,950,861 was reallocated for HOPE VI Revitalization grants, as provided for in the NOFA. The FY 99 Demolition grants were awarded in September 1999.

FY 2000

On October 20, 1990, the Appropriations Act for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, 2000 was signed into law. The funding for HOPE VI Revitalization and Demolition grants was provided under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)." A total of \$575 million was appropriated for HOPE VI, including amounts for Revitalization and Demolition grants, \$10 million for technical assistance, and \$1.2 million for a study by the Urban Institute on the long-term effects of the HOPE VI Program on former residents of severely distressed public housing developments.

A NOFA announcing the availability of \$563,800,000 (\$513,800,000 for Revitalization grants and \$50 million for Demolition grants) was published as part of HUD's SuperNOFA on February 24, 2000. The NOFA fully implemented the requirements of Section 24 of the 1937 Act, the HOPE VI authorization that had been passed in FY 1999.

Revitalization

Revitalization applications were due on May 18, 2000, and a total of 74 applications requested \$1.8 billion. On July 26, HUD awarded grants to 18 Housing Authorities in the amount of \$513,805,464. Of that amount, \$5,464 had been allocated from the amount announced in the NOFA for Demolition applications in order to fully fund the 18th Revitalization application. A total of 6,778 of the 8,172 targeted units were slated for demolition, and a total of 10,128 public housing, affordable, and market-rate units were to be developed with HOPE VI and other public and private sources of funding.

Demolition

Demolition applications were accepted on a first-come, first-served basis up to the deadline of June 14, 2000. A total of 61 applications were submitted, requesting \$128.7 million. Of those, 26 grants were awarded to 13 housing authorities for a total of \$49,994,436. The remaining \$5,464 of the \$50 million announced in the NOFA was transferred to fund the last Revitalization grant. The funds will be used to demolish 8,098 units of severely distressed public housing. Of the applications that were not funded, 20 were eligible but funds were not available. The other 15 applications were not eligible for funding, for the most part because HUD had not approved their Section 18 demolition applications.

HOPE VI FUNDING HISTORY

FY	Planning	#	Implementation/ Revitalization	#	Demo Only	#	Total	#
1993	1,000,000	2	299,000,000	6			300,000,000	8
1994	2,725,472	6	752,674,507	20			755,399,979	26
1995	10,726,609	27	349,999,018 (1st round)	8			496,877,472	40
1995	300,000 (amendment)		103,257,000 (2nd round)	5				
1995			32,594,845 (amendments)					
1996			403,463,070	20	69,571,850	22	473,034,920	42
1997			497,355,108	23	955,000	4	498,310,108	27
1998			507,000,000	22	57,084,319	50	564,084,319	72
1998			24,565,222 (elderly)	6			24,565,222	6
1999			571,287,001	21	40,738,389	32	612,025,390	53
2000			513,805,464	18	49,994,536	26	563,800,000	44
TOTAL	14,752,081	35	4,055,001,235	149	218,344,094	134	4,288,097,410	318

Note on FY 93 and 94 Grants: 2 Planning grants and 6 Implementation grants were fully funded, and 7 Implementation grants were partially funded with FY 93 funds. In accordance with the FY 94 appropriation, the 7 partially-funded FY 93 grants received FY 94 funds to fully fund them. 4 Planning grants and 13 Implementation grants were fully funded from FY 94 funds.

Note on FY 95 Grants: 1st Round HOPE VI Implementation grants were automatically awarded to the 8 previous HOPE VI Planning grantees. 2nd Round HOPE VI Implementation grants were awarded by competition.

Note on FY 98 Grants: Congress included a setaside of \$26 million for HOPE VI grants to revitalize severely distressed projects that serve the elderly.